

## Exhibit 300: Capital Asset Summary

### Part I: Summary Information And Justification (All Capital Assets)

#### Section A: Overview & Summary Information

**Date Investment First Submitted:** 2009-06-30  
**Date of Last Change to Activities:** 2012-07-26  
**Investment Auto Submission Date:** 2012-02-23  
**Date of Last Investment Detail Update:** 2012-02-23  
**Date of Last Exhibit 300A Update:** 2012-03-13  
**Date of Last Revision:** 2012-07-26

**Agency:** 007 - Department of Defense      **Bureau:** 21 - Department of the Army

**Investment Part Code:** 01

**Investment Category:** 00 - Agency Investments

**1. Name of this Investment:** LOGISTICS MODERNIZATION PROGRAM

**2. Unique Investment Identifier (Ull):** 007-000006298

#### Section B: Investment Detail

- 1. Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

The Logistics Modernization Program (LMP) is a System (combination of hardware and software solution with a user interface). LMP delivers an enterprise system that builds, sustains, and generates warfighting capabilities using one of the largest, fully-integrated supply chain and maintenance, repair, and overhaul solutions in the world. LMP delivers a fully integrated suite of software and business processes, providing streamlined data on maintenance, repair, and overhaul, planning, finance, acquisition, weapon systems supplies, spare parts, services, and materiel. It is the Army's core logistics information technology (IT) initiative that replaced the two largest National-level logistics systems: the inventory management Commodity Command Standard System (CCSS), and the depot and arsenal operations Standard Depot System (SDS). The primary beneficiaries of the LMP solution are the Army Materiel Command (AMC) depots and arsenals that support the warfighter. LMP meets the Army's IT logistics vision of a long-overdue transformation from legacy National applications to a modernized logistics enterprise solution across AMC to arsenals, depots, and other non-depot maintenance activities at the National level. LMP support is critical to the Army achieving an integrated enterprise solution that enables materiel readiness and provides asset management and accountability, architecture and acquisition compliancy, and financial transparency. LMP manages approximately 2 million transactions daily, approximately \$22 billion in inventory on more than 70 Department of Defense (DoD) systems

to include interfaces with Army's other Enterprise Resource Planning (ERP) systems currently under development - Army Enterprise Systems Integration Program (AESIP), Global Combat Support System-Army (GCSS-Army), and General Fund Enterprise Business System (GFEBS). LMP was fielded to all remaining commands, depots, arsenals and related sites in October 2010 and is currently used by approximately 25,000 users at more than 50 Army and DoD Continental United States (CONUS) and Outside the Continental United States (OCONUS) locations, including the Army's Communications-Electronics Command (CECOM) Life Cycle Management Command (LCMC), Aviation and Missile Command (AMCOM) LCMC, TACOM LCMC, Joint Munitions and Lethality (JM&L), Army Sustainment Command (ASC), and all depots and arsenals in the Industrial Operations Activity Group, as well as the Defense Finance Accounting Service (DFAS).

**2. How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.**

Before LMP, the Army used 30-year-old systems to manage its logistics supply of critical equipment and repair parts. These systems created a complex web of legacy software solutions that were slow and difficult to maintain, and could not meet the Army's expanding needs. The stove-piped systems were not integrated, resulting in additional effort to manually transfer data between systems. LMP was developed to address these issues by transforming the language into an interoperable enterprise standard language common to Enterprise Resource Planning (ERP) systems. LMP replaced eight instances of Commodity Command Standard System (CCSS) and 42 instances of Standard Depot System (SDS), two of the Army's largest legacy systems. This investment supports LMP's mission to sustain, monitor, measure, and improve the modernized National-Level logistics support solution. It also supports providing capability required but not inherent in LMP today to support closing identified performance gaps such as: -Providing enhancements to maintain compliance (Standard Financial Information Structure (SFIS), Federal Financial Management Improvement Act (FFMIA), DoD Information Assurance Certification and Accreditation Process (DIACAP)) -Achieving auditable financials by 2017 (National Defense Authorization Act (NDAA) for FY10) -Providing enhanced and automated capabilities (Expanded Industrial Base (EIB), Enterprise Ammunition (AMMO)) -Realizing the Army's strategic vision as documented in: 1) Dept of the Army (DA) "Business Systems Information Technology (BSIT) Strategy 2011"; 2) DA G4's "Army Logistics Domain Information Technology Strategic Plan FY10-FY11" The following may occur if LMP is not fully funded: -Inability to fund sustainment would catastrophically impact LMP's ability to support its 25K users -Inability to maintain financial compliance and/or auditable financial records by 2017 could result in loss of Office of the Secretary of Defense's (OSD) support and future funding -Inability to provide enhanced capability would result in benefits, such as enhanced data integrity/accuracy, enhanced readiness at a reduced cost, real-time information, and process integration, being delayed/not realized -Inability to provide integration and transformation support would delay realization of the Army's vision to further transform the enterprise and integrate Army ERPs -Inability to utilize critical LMP processes to execute customers' core logistics missions.

**3. Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.**

1) LMP completed its Third and Final Deployment on 21 October 2010, where a total of 8 instances of CCSS and 42 instances of SDS were retired. 2) Provided additional level of support to deployed sites and users during the Post Go-Live Support phase to ensure a smooth Transition to Sustainment (TTS). 3) Continued to improve and enhance the LMP solution by addressing emerging statutory, regulatory, and policy requirements, high priority customer requests, external audit recommendations, and required compliance (e.g., Financial compliance, eProcurement Phase I). 4) Received DIACAP 3-year Authority to Operate (ATO). 5) Continued to support Enterprise Ammunition, Automatic Identification Technology (AIT), and interfacing to General Fund Enterprise Business System (GFEBS). 6) Continued to address all Acquisition Decision Memorandum (ADM) requirements. 7) Continued to sustain the LMP deployed solution and residual legacy instances.

**4. Provide a list of planned accomplishments for current year (CY) and budget year (BY).**

1) Deliver a major functional release and periodic incremental updates for AMC critical development work, including solution extensions to the LMP deployed baseline to eliminate costly workarounds. 2) Maintain/achieve compliance to emerging statutory, regulatory, and policy requirements such as FFMIA, SFIS, Business Enterprise Architecture (BEA), and DIACAP. 3) Start migration of interfaces from SeeBeyond to Netweaver Phase II. 4) Provide the customers' requirements for enhanced and automated logistics functionality (e.g. EIB analysis and design) to the AMC depots, arsenals, and LCMCs with capabilities required to yield maximum benefits from the LMP system through shop floor control, automated identification technology, and Item Unique Identification required by DoD policy. 5) Purchase of Enterprise SAP and Oracle Licenses to support the Army plan to transition from current contract to an organic service provider. 6) Begin transition planning to ultimately transition LMP services to government agencies, including the knowledge transfer from the current service provider. 7) Continue to sustain the LMP deployed solution and residual legacy instances. 1) Deliver a major functional release and periodic incremental updates for AMC critical development work, including solution extensions to the LMP deployed baseline to eliminate costly workarounds. 2) Maintain/achieve compliance to emerging statutory, regulatory, and policy requirements such as FFMIA, SFIS, Business Enterprise Architecture (BEA), and DIACAP. 3) Continue migration of interfaces from SeeBeyond to Netweaver Phase II. 4) Continue to provide the customers' requirements for EIB engineering development. 5) Develop and subsume additional functionality for Joint Munitions & Lethality (JM&L) Enterprise AMMO. 6) Perform planning and management of: a) National Maintenance Program (NMP) Installation enhancements as provided in current solution b) Army Prepositioned Stocks (APS) program to support the National Military Strategy by prepositioning critical war fighting stocks in strategic locations worldwide to reduce deployment response times for an Expeditionary and Transforming Army c) Budget formulation will support development of detailed budget plans in LMP from the individual installation up to the total AWCF. 7) Continue to transition LMP services from the current contract to an organic service provider. 8) Continue to sustain LMP deployed solution and residual legacy instances.

**5. Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified fully-dedicated IT program manager, a contract specialist, an information technology**

**specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.**

1999-12-29

## Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding

	PY-1 & Prior	PY 2011	CY 2012	BY 2013
Planning Costs:	\$0.0	\$0.0	\$0.0	\$0.0
DME (Excluding Planning) Costs:	\$618.1	\$218.5	\$81.6	\$117.0
DME (Including Planning) Govt. FTEs:	\$0.0	\$0.0	\$0.0	\$0.0
Sub-Total DME (Including Govt. FTE):	\$618.1	\$218.5	\$81.6	\$117.0
O & M Costs:	\$741.7	\$237.6	\$136.9	\$166.8
O & M Govt. FTEs:	\$0.0	\$0.0	\$0.0	\$0.0
Sub-Total O & M Costs (Including Govt. FTE):	\$741.7	\$237.6	\$136.9	\$166.8
Total Cost (Including Govt. FTE):	\$1,359.8	\$456.1	\$218.5	\$283.8
Total Govt. FTE costs:	0	0	0	0
# of FTE rep by costs:	0	0	0	0
Total change from prior year final President's Budget (\$)		\$279.3	\$62.2	
Total change from prior year final President's Budget (%)		158.00%	40.00%	

**2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:**

AWCF CIP increases - The Army has determined that EIB will integrate Shop Floor Automation (SFA), IUID, and AIT requirements into a standard enterprise solution to support AMC Industrial Base Operations. AWCF OPS increases - To support approved work requests.

## Section D: Acquisition/Contract Strategy (All Capital Assets)

Table I.D.1 Contracts and Acquisition Strategy

Contract Type	EVM Required	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	IDV Agency ID	Solicitation ID	Ultimate Contract Value (\$M)	Type	PBSA ?	Effective Date	Actual or Expected End Date
Awarded		<a href="#">DAAB0700DE252</a>									
Awarded		<a href="#">DAAB0700DE252</a>									
Awarded		<a href="#">DAAB0700DE252</a>									
Awarded		<a href="#">DAAB0700DE252</a>									
Awarded		<a href="#">W91QUZ09D0039</a>									

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:  
N/A.

## Exhibit 300B: Performance Measurement Report

### Section A: General Information

**Date of Last Change to Activities:** 2012-07-26

### Section B: Project Execution Data

**Table II.B.1 Projects**

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
P6298-101	Logistics Modernization Program - Increment 2 (Expanded Industrial Base (EIB))	LMP - Increment 1 was fully fielded as of October 2010 and is on target to achieve Full Deployment status on the deployed operational baseline in December 2011. The objective of the LMP – Increment 2 is to enhance LMP by implementing and fully integrating the documented and approved Expanded Industrial Base (EIB) requirements. The EIB requirements include Shop Floor Automation (SFA), Item Unique Identification (IUID), Enterprise Equipment Master (EEM), Automated Identification Technology (AIT), and Plant Equipment Maintenance (PM). Over the past five years, the EIB requirements have emerged from the DoD, the Army and the AMC industrial base. Under close examination of the total requirements set and in line with the current LMP solution, it became clear that EIB			



Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
		<p>requirements were very interrelated and needed to be designed and tested together in a comprehensive solution based on the SAP capabilities.</p> <p>Examination of the complexity involved in implementing these requirements independently is neither logical nor supportable within current resource constraints. Accordingly, the Army determined the need to address these requirements by expanding the LMP solution. The solution for these requirements will be designed, built, and tested together and implemented in cohesive packages to the LMP user community that will meet the critical needs of the various stakeholders, enabling the Department to achieve a clean audit while providing interoperable tools for total asset visibility across the Defense Enterprise. Ultimately, LMP – Increment 2 will enhance the efficiency and effectiveness of the currently deployed solution by providing the critical (e.g. must have) SFA requirements integrated with IUID, EEM, AIT, and PM. The enhancements provided by EIB will provide access to real-time supply chain information at all levels of the enterprise down through the shop floor, and will result in manufacturing (MAN) and remanufacturing (REMAN) capabilities that will improve visibility of work-in-process (WIP), quality management, capacity planning, and</p>			

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
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traceability/genealogy capability; and implementation of electronic work instructions. Implementation of a consolidated approach of these enhancements at the depots and arsenals will help minimize re-work, causative research, material cost escalation and labor costs increases and comply with the DoD IUID implementation directive.

Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities (\$M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance (\$M )	Cost Variance (%)	Total Planned Cost (\$M)	Count of Activities
P6298-101	Logistics Modernization Program - Increment 2 (Expanded Industrial Base (EIB))							

Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days )	Schedule Variance (%)
P6298-101	Expanded Industrial Base (EIB)	The LMP Expanded Industrial Base (EIB) effort encompasses the development of Shop Floor Automation (SFA) capabilities and additional components to Army Materiel Command Industrial Base Operations. Once	2012-12-31	2012-12-31		339	0	0.00%

Key Deliverables								
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days )	Schedule Variance (%)
		designed, developed, tested and deployed, the LMP EIB solution will interface with the Enterprise Equipment Master (EEM) record in Global Combat Support System-Army (GCSS-A). The solution will be AIT enabled and support more efficient inventory asset tracking. One of the primary objectives of the LMP EIB is to comply with AIT requirements based on transactional volume and efficiency impact. Therefore, AIT functional requirements will be integrated into the LMP roadmap in conjunction with Shop Floor Automation (SFA), Item Unique Identification (IUID), and the LMP Equipment Master (LEM). SFA capabilities will drive effective execution of manufacturing operations by guiding, triggering, and reporting plant activities as events occur from point-of-order release into manufacturing to point-of-product delivery to finished goods. Within the						

Key Deliverables								
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days )	Schedule Variance (%)
		LMP suite, SFA will provide mission-critical information about production activities across the enterprise and supply chain. The collection, tracking, documenting, archiving, and analysis of the detailed shop floor data generated by the manufacturing activities will be performed in the SAP Complex Assembly Manufacturing System (CAMS) module. The required data will be exchanged between the SAP CAMS and SAP ECC. SFA will bridge the gap between the current ERP capabilities in LMP and the capabilities required on the shop floor. The power of full ERP integration, supplemented by the AIT, IUID, LEM, and shop floor automation technology, will provide a world-class solution to the management and maintenance of the Army's modernized arsenals, depots, and ammo plants. Initially, as a sub-component of the SFA requirements, the EIB						

## Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days )	Schedule Variance (%)
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solution will include tool crib management. This element of Plant Maintenance (PM) is considered to be a critical segment of the consolidation with SFA, AIT, LEM and IUID during near term implementation. During this next reporting period, the EIB solution will be analyzed and designed and later developed, tested, and deployed to the Army Materiel Command Industrial Base Operations in concert with the Business Capability Lifecycle (BCL) model.

## Section C: Operational Data

Table II.C.1 Performance Metrics

Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency
Percent of transactions with system response time under 2 seconds.	Percentage	Technology - Efficiency	Over target	97.580000	95.000000	97.580000	95.000000	Monthly
Percent System Availability: total amount of system downtime - both scheduled and unplanned.	Percentage	Technology - Reliability and Availability	Under target	99.800000	99.980000	99.800000	99.980000	Monthly
Average Response Time.	Seconds	Customer Results - Timeliness and Responsiveness	Over target	0.970000	2.000000	0.970000	2.000000	Monthly
Disaster Recovery - Meets and/or exceeds Recovery Point Objective (RPO): The amount of time that can lapse between Primary and Secondary data facilities to be in sync with respect to data-transfers and user logon (Government monitored exercise).	Hours	Process and Activities - Management and Innovation	Over target	1.000000	4.000000	1.000000	4.000000	Quarterly
Number of unique production system defects associated with software changes resulting in a total loss of the execution of a LMP critical business process with no workaround over a twelve month period.	Number	Customer Results - Service Quality	Over target	2.000000	6.000000	2.000000	6.000000	Monthly

